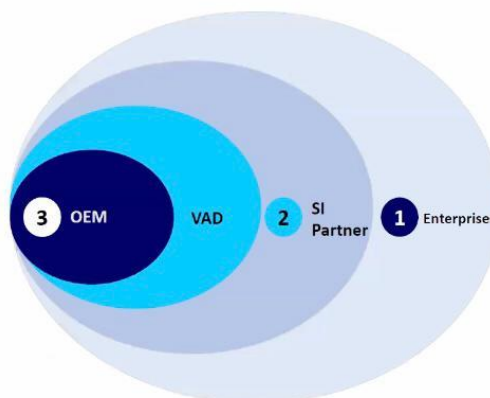


Recommendation	Subscribe	
Price Band	Rs. 284-299	
Bidding Date	18 th –22 th Sept	
Book Running Lead Manager	IIFL Cap , Motilal Oswal Inv	
Registrar	Kfin Tech Limited	
Sector	IT	
Minimum Retail Application- Detail At Cut off Price		
Number of Shares	50	
Minimum Application Money	Rs. 14950	
Payment Mode	ASBA	
Consolidated Financials (Rs Cr)	FY24	FY25
Total Income	780	923
EBITDA	99	114
Adj PAT	71	85
Valuations (FY25)	UpperBand	
Market Cap (Rs Cr)	1,601	
Adj EPS	16	
P/E	18.8	
EV/Sales	13	
Enterprise Value (Rs Cr)	1478	
Post Issue Shareholding Pattern		
Promoters	32.7%	
Public	67.3%	
Offer structure for different categories		
QIB (Including Mutual Fund)	50%	
Non-Institutional	15%	
Retail	35%	
Post Issue Equity (Rs. in Cr)	10.7	
Issue Size (Rs in Cr)	560	
Face Value (Rs)	2	
Kavita Vempalli Sr Research Analyst (022 62738034)		

BACKGROUND			
IValue Infosolutions Limited (IIL) works as Value added Distributer (VAD) for System Integrators (SI) to understand enterprise customer's business and their technical requirements, then curate customized solutions including multi-OEM stacks where solutions from multiple OEMs interact with each other. It also assist in procurement and deployment of the required technology solutions by partnering with OEMs, across cybersecurity, information lifecycle management (ILM), data center infrastructure, application lifecycle management (ALM), hybrid cloud solutions and other domains. Co operates across India, the SAARC region, and Southeast Asia.			
Details of the Issue			
The issue is entirely an offer for sale of 1.87 cr shares of Rs. 560.29 cr.			
Investment Rationale			
<ol style="list-style-type: none"> Well-positioned to capitalize on growth in Indian Enterprise Technology Solutions market. Preferred strategic technology advisor for enterprise technology requirements. Partner of choice for OEMs in India. 			
Risks			
<ul style="list-style-type: none"> Co faces competitive pressure from resellers and other VADs, and failure to maintain and expand its relationship with existing System Integrators or attract new ones could materially and adversely affect the business. High Receivables pose risk- Co is exposed to credit risk and may be exposed to delays or defaults in payments by System Integrators adversely affecting cash flows and financials. 			
Valuation and Recommendation			
IValue systems is very well positioned itself as a connecting point in the industry value chain bridging the gap between OEMs and System Integrators. Moreover, it has presence in growing segments like cyber security and data centers which are poised for good growth. Gross sales of the Co have grown at a cagr of 16% during FY23-25 with improvement in margins and healthy return ratios. At Upper price band, issue is priced at P/E of 18.8x FY25 earnings and we recommend ' Subscribe ' citing good industry growth expectations.			
Financials	FY23	FY24	FY25
Gross Sales	1,811	2,110	2,439
Net Revenues	797	780	923
Growth (%)		-2.1%	18.3%
Ebitda	83	99	114
Ebitda(Margin %)	10.4%	12.7%	12.4%
PBT	80	95	113
Adjusted PAT	60	71	85
EPS	11.19	13.18	15.93
ROCE	25.1%	25.9%	25.1%
P/E	26.72	22.68	18.77
EV/ EBITDA	17.8	14.9	13.0

Company Background

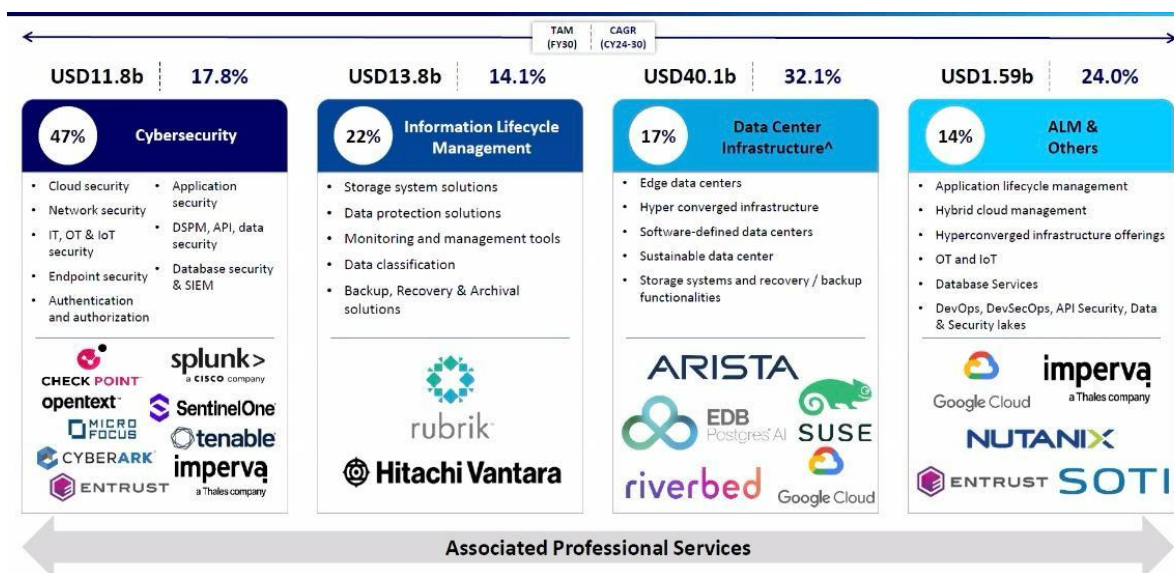
Incorporated in 2008, Ivalue Infosolutions Limited is a technology services and solutions provider specializing in enterprise digital transformation. iValue works as Value added Distributer (VAD) for System Integrators (SI) to understand enterprise customer's business and their technical requirements, then curate customized solutions including multi-OEM stacks where solutions from multiple OEMs interact with each other. It also assist in procurement and deployment of the required technology solutions by partnering with OEMs, across cybersecurity, information lifecycle management (ILM), data center infrastructure, application lifecycle management (ALM), hybrid cloud solutions and other domains. Co operates across India, the SAARC region, and Southeast Asia. With more than 16 years of strong experience and expertise in the technology space, iValue has built an impressive portfolio, established partnerships with around 913 active partners including SIs and OEMs.



Source: Co and NBRR

Company is present in fast growing segments –

1. Cyber security – 47% to topline
2. ILM – 22%
3. Data Center – 17%
4. ALM & Others – 14%

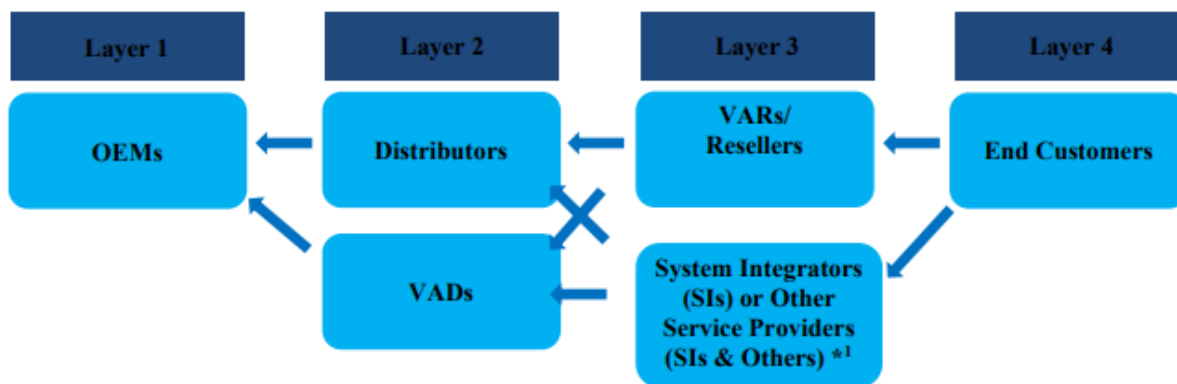


Source: Co and NBRR

Industry Overview

The industry ecosystem for digital technologies is a complicated network, connecting numerous industry players, each of which offers specialized knowledge and skills to support the development and growth of IT products and services market.

IT Products and Services Market Distribution Ecosystem



Source: Co and NBRR

The SAARC region presents a diverse and rapidly evolving market for information technology (IT) products and services. The IT industry in SAARC countries, such as India and Sri Lanka are steadily expanding, owing to the rising internet penetration, government initiatives and the widespread adoption of digital technology among businesses.

To cater for the increased **data and processing** requirements, businesses are also increasingly investing in networking hardware, servers, storage systems and other infrastructure improvements. Hybrid cloud computing services are becoming increasingly prevalent as businesses seek scalable and affordable solutions for their IT environments. It is anticipated that the growing usage of cloud-based solutions across various industries will lead to tremendous growth of cloud computing, storage and data center markets in India.

Robust **security measures, storage and networking solutions** are becoming critical as businesses in the India are embracing digital transformation and generate enormous volumes of data. The rise of phishing attempts, malware attacks and data breaches in India are making businesses in the region to invest in advanced cybersecurity solutions. Businesses in India are investing significantly in firewalls, antivirus software, intrusion detection and prevention systems and identity and access management solutions.

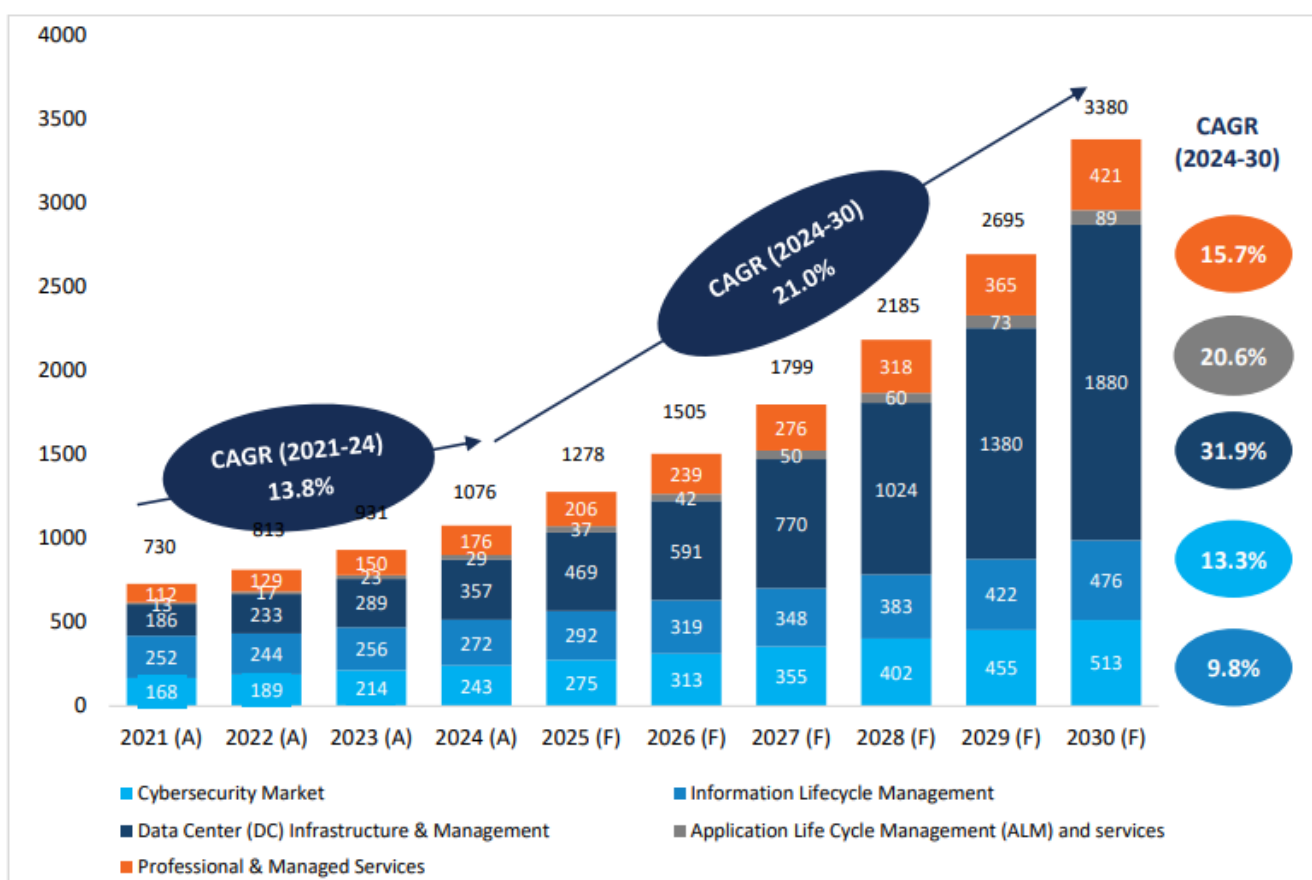
Moreover, as the exponential growth of data generated by businesses, investments in scalable and efficient **storage solutions** have also increased simultaneously. The increasing adoption of technologies such as compression and tiered storage are expected to drive the growth of the **enterprise storage market** in India. Additionally, networking infrastructure is also an important area of IT investment in the region as businesses require high-speed and reliable connections to support their operations, enable remote work and allow seamless communication with customers and partners.

Businesses are making substantial investments in **Application Lifecycle Management (ALM)** and associated services in India, to improve their software development and maintenance processes. With the increasing importance of DevOps and agile approaches, advanced ALM solutions are required. Additionally, as businesses are increasingly focused on cybersecurity, DevSecOps approaches are being integrated to ensure that security is embedded in the application development processes. The demand for advanced ALM solutions is rising, owing to India's booming IT services sector, which serves customers across the world.

Investment Rationale

Well-positioned to capitalize on growth in Indian Enterprise Technology Solutions market

Businesses of all sizes are dependent of applications for all their external and internal needs. Every enterprise runs over 250 applications which are in different phases of digital transformation. Total Addressable Market (TAM) for cybersecurity, ILM, data centre infrastructure, ALM and managed services is experiencing a robust growth globally and in India. Globally, the total TAM is expected to grow at a CAGR of 21% to USD 3,380 bn by 2030 and the same in India is growing faster at a CAGR of 23.1% to reach ~ \$78.9bn 2030. This is primarily driven by strong government initiatives and businesses commitment to enhance digitalization and cybersecurity measures.



Source: Co and NBRR

IValue is uniquely positioned in this large and fast growing segments like Data centers (expected growth of 32% through FY30), ALM (...by 20.6%), Managed services (...by 15.7%) and would tend to benefit immensely.

Preferred strategic technology advisor for enterprise technology requirements

Over the last 16+ years, Co has established itself as a strong technology enabler allowing it to address complex IT demand holistically through a broad range of offerings like from code to cloud, ensuring performance, scalability and security aspects of the application and associated services. It has strategic partnerships and contractual agreements with leading OEMs including Check Point, Forcepoint, Imperva, Splunk, Tenable, Yubico and Arista. Additionally, in line on expanding its ALM and cloud offerings, Co has recently partnered with OEMs such as Nutanix, Splunk, Google Cloud and SuSe. With evolving technologies, enterprises are increasingly relying on VADs as strategic technology advisors to navigate this complexity and maintain a competitive edge.

Partner of choice for OEMs in India

Leveraging its ability to design and deliver customised purpose-built solutions and associated services, Co enables OEMs to reach their target customers. Co's network of OEM partners has grown from 93 in FY23 to 109 in FY25. 19 of them were associated with the Co for more than 10 years, while 38 were associated 6+ years and 84 were associated for 3+ years.



Partner of choice for OEMs in India, with strong and expanding OEM relationships across focus areas



Source: Co and NBRR

Deep relationships with key OEMs

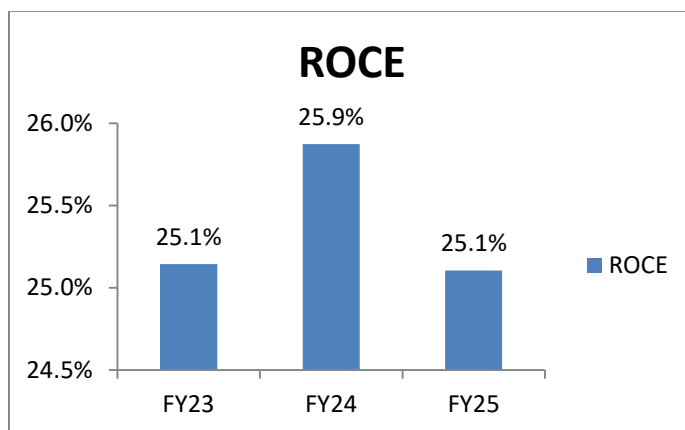
Tenure (years)	No. of OEMs
> 10 Years	19
6-8 Years	19
3-5 Years	46
0-2 Years	25

Risks to Investments

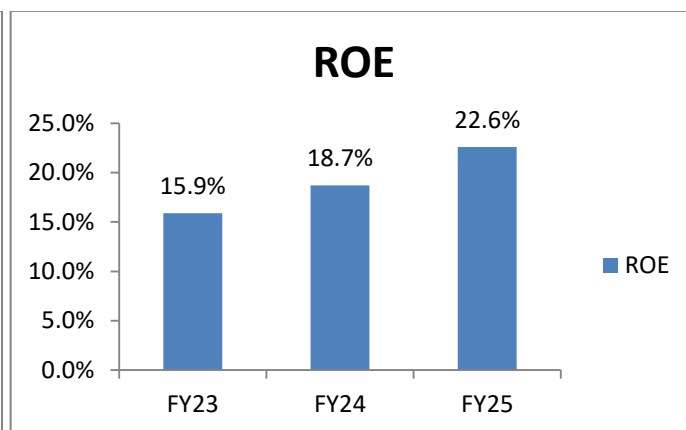
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- High Receivables pose risk- Co is exposed to credit risk and may be exposed to delays or defaults in payments by System Integrators adversely affecting cash flows and financials.

Valuation and Recommendation

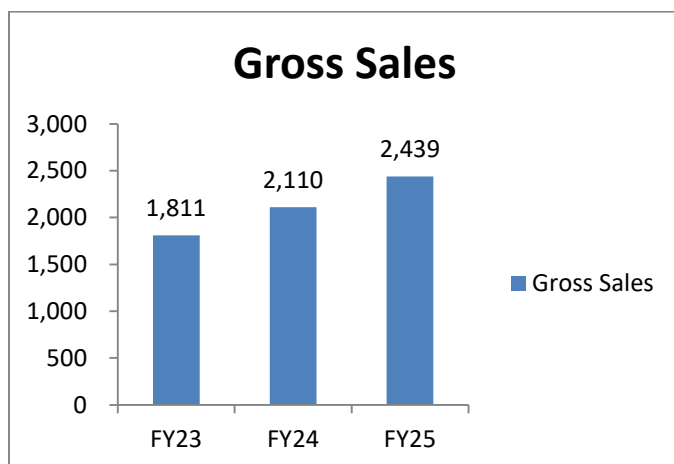
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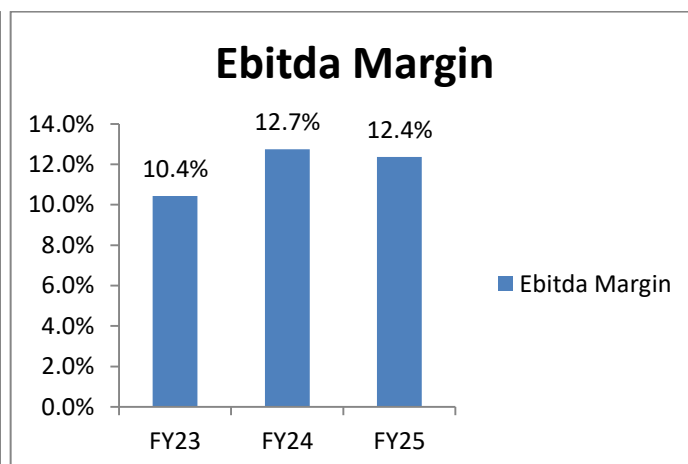
Source: Co and NBRR



Source: Co and NBRR



Source: Co and NBRR



Source: Co and NBRR

Financials

Consolidated

P&L (Rs. Cr)	FY23	FY24	FY25
Gross sales	1,811	2,110	2,439
Net Revenue	797	780	923
% Growth		-2%	18%
Purchase in stock	617	561	680
% of Revenues	77.4%	71.9%	73.6%
Employee Cost	41	65	69
% of Revenues	5.2%	8.4%	7.5%
Other expenses	56	55	60
% of Revenues	7.0%	7.0%	6.5%
EBITDA	83	99	114
EBITDA Margin	10.4%	12.7%	12.4%
Depreciation	4	7	7
Other Income	9	15	20
Interest	8	13	13
Share of Profit/(Loss) of Assc	0	0	0
PBT	80	95	113
Tax	20	24	28
Tax rate	25%	25%	25%
PAT	60	70.6	85.3
Minority Int	0	0	0.00
Adj PAT	59.9	70.6	85.3
% Growth		18%	21%
EPS (Post Issue)	11.2	13.2	15.9

Ratios & Others	FY23	FY24	FY25
Debt / Equity	0.2	0.1	0.1
EBITDA Margin (%)	10%	13%	12%
PAT Margin (%)	8%	9.0%	9.2%
ROE (%)	15.9%	18.7%	22.6%
ROCE (%)	25.1%	25.9%	25.1%

Turnover Ratios	FY23	FY24	FY25
Debtors Days	141	116	127
Inventory Days	18	5	2
Creditor Days	130	87	85
Asset Turnover (x)	2.28	1.88	1.83

Valuation Ratios	FY23	FY24	FY25
Price/Earnings (x)	27	23	19
EV/ EBITDA (x)	18	15	13
EV/Sales (x)	2	2	2
Price/BV (x)	5	4	3

Balance Sheet (Rs. Cr)	FY23	FY24	FY25
Share Capital	4	4	8
Other Equity	296	367	455
Non controlling Int	-1	-1	-2
Networth	300	370	462
Total Loans	50	45	42
Lease Liabilities	29	32	28
Other non-curr liab.	3	3	4
Trade payable	647	502	570
Other Current Liab	50	52	56
Total Equity & Liab.	1,080	1,004	1,163
Property, Plant and Equipment	6	10	10
Capital work-in-progress/Investment proper	11	0	0
Goodwill/Right of Use Assets/intangible ass	38	38	33
Non Currrent Financial assets	35	84	41
Other non Curr. assets	2	1	7
Inventories	90	27	13
cash and cash equivalents	61	128	118
Bank bal	19	7	47
Trade receivables(debtor)	702	673	846
Other Current assets	116	36	48
Total Assets	1,080	1,004	1,163

Cash Flow (Rs. Cr)	FY23	FY24	FY25
Profit Before Tax	80	95	113
Provisions & Others	14	23	22
Op. profit before WC	94	117	135
Change in WC	-105	23	-111
Less: Tax	-12	-74	22
CF from operations	-23	66	46
Purchase of assets	-43	-6	-36
Sale of property	69	13	36
Dividend & Interest	4	3	5
Proceeds from Sale/Redemption of Investme	-0	13	-41
CF from Investing	30	24	-36
Payment of lease liabilities	-2	-4	-4
Proceeds/ Repayment Borrowings	32	-5	-3
interest & div paid	-8	-13	-13
CF from Financing	22	-22	-20
Net Change in cash	29	67	-10
Cash & Bank at beginning	31	61	128
Cash & Bank at end	60	128	118

Source: Company Data, NBRR

Disclosure:

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